



September 30, 2021

Charlie Oppler, President, National Association of Realtors

Leslie Rouda Smith, President – Elect, National Association of Realtors

Dear Charlie and Leslie:

Congratulations on the positive press and *Inman* article regarding the National Association of Realtors decision to make much needed policy changes at the 2021 NAR National Meeting in November.

This meeting is the perfect opportunity for NAR to address various policies which currently prevent hundreds of thousands of Americans from achieving the American Dream of home ownership.

NAR can showcase its new commitment to competition and to housing accessibility by making several changes such as rescinding its Segregation Rule, supporting rollbacks of anti-rebate rules, and addressing lockbox rules.

### **Rescinding the Segregation Rule**

Earlier this month, NBC News ran an investigative journalism feature on how the Segregation Rule undermined “sellers who self-list” and harmed consumers. This was part of a deeper look at changes made by Zillow in January in compliance with NAR and MLS policies such as the segregation rule which continue to harm consumers and the marketplace. My understanding is at the November meeting, NAR is set to change existing policies regarding data exchanges and virtual listings to create “one feed to rule them all.” It is imperative that NAR considers consumer access and not just broker efficiencies when ratifying these changes.

For the real estate industry to be a leader in the digital era, rules must be adopted that encourage—not thwart—accessibility to all homes for sale and the sharing of information about properties on the market. The segregation rule fragments the real estate consumer experience. The solution is to let consumers see everything on the market and empower them to choose the home they want to purchase at the price they want to pay. Now is the time for NAR to eliminate the plainly anti-consumer segregation rule and make the real estate web accessible to all homes for sale.

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## **Lockboxes Restrictions**

NAR recently stated that it was working to implement changes which would have been required in the Trump Administration's proposed settlement with NAR. The lockbox policies should have been off the books long ago as I cannot see any consumer rationale for why any MLS member would bar any licensed real estate agent from showing homes by blocking them and their customers from access to the lockboxes and the Supra key.

In today's real estate market, characterized by record thin inventories and skyrocketing prices, no consumer should be locked out of a home that they want to see through a licensed agent. Competition and consumer choice require opening up Supra access to all licensed agents and allowing a truly free market for homebuying and selling to flourish.

## **Rolling Back Anti-Rebate Rules**

Because REX is committed to lowering the cost of buying a home, we are also very much opposed to any NAR rule that prohibits homebuyers from negotiating commissions paid to real estate brokers. One of those rules is the mandatory offer of compensation to buyer brokers, which deprives consumers of choice and drives up the cost of homeownership. While REX and NAR may disagree on some real estate rules, including mandatory offers of compensation, there is one area where all real estate professionals should agree—namely, that real estate professionals and consumers alike should be freed from state restrictions preventing brokers from offering consumer rebates to homebuyers.

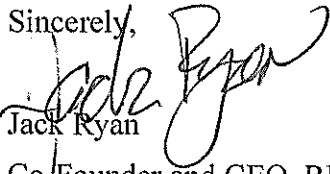
In ten states, licensed real estate agents are at competitive disadvantage because their state real estate rules prohibit giving consumers a rebate. Between 2005 and 2009, the United States Department of Justice was successful in several states rescinding their anti-rebate policies. Further, the Justice Department has stated that *“Rebate bans artificially inflate the cost of real estate services. Consumers are forced to pay thousands of dollars more to buy a home than they would if rebates were allowed. In effect, rebate bans prohibit brokers from competing on price, forcing all brokers to charge—and all consumers to pay—the same inflated price.”*

Last week, REX General Counsel Michael Toth wrote Katie Johnson, NAR General Counsel asking NAR to join REX in supporting rescinding anti-rebate laws in the ten states with rebate bans still on the books. These policies harm consumers and licensed real estate agents alike with their anachronistic anti-consumer standards.

Based on the National Association of Home Builder's Priced Out model, a 2% real estate buyer's rebate would enable over 700,000 Americans to enter the home ownership market. However, consumers and real estate agents in the 10 rebate states are disadvantaged. These anti-rebate rules are an affront to all licensed real professionals, who deserve to be able to negotiate freely with consumers for the price of their services.

I invite you to join REX in calling on elected leaders across the United States to ensure real estate professionals can serve all consumers by offering rebates in all 50 states.

Sincerely,



Jack Ryan

Co-Founder and CEO, REX

CC:

Greg Zander, Chairman

NAR's MLS Technology and Emerging Issues Advisory Board

Brad Bjelke, CEO

Multiple Listing Service

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